

Message Text

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PAGE 01 PORT A 02499 162047Z

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FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC 2909

INFO AMEMBASSY KINGSTON

AMEMBASSY SANTO DOMINGO

C O N F I D E N T I A L PORT AU PRINCE 2499

E.O. 11652: GDS

TAGS: PGOV PINT HA

SUBJ: DUVALIER NAMES COMMISSION TO INVESTIGATE REGIE DU TABAC

REF: PORT AU PRINCE 2441

1. SUMMARY. PRESIDENT JEAN-CLAUDE DUVALIER HAS ESTABLISHED A COMMISSION HEADED BY MINISTER WITHOUT PORTFOLIO HENRI BAYARD TO INVESTIGATE THE REGIE DU TABAC AND GIVE HIM A PROMPT DETAILED REPORT ON REGIE'S SOURCES OF RECEIPTS, THEIR AMOUNTS, AND RECOMMENDATIONS FOR REFORM OF ITS PROCEDURES. THE MOVE FOLLOWS THE SEPTEMBER 7 SACKING OF REGIE DIRECTOR HENRI SICLAIT, WHOSE AMBITIONS AND AVARICE AT LAST BECAME INTOLERABLE TO DUVALIER. TO SPECULATE ABOUT MAJOR CHANGES REMAINS PREMATURE, BUT THE COMPOSITION AND PRECEPTS OF THE COMMISSION REFLECT A SERIOUS INTENTION TO EARMARK A GREATER PART OF REGIE'S RECEIPTS FOR DEVELOPMENT PURPOSES AND ACCOUNT FOR IT IN THE BUDGETARY PROCESS. SUCH A MOVE WOULD SUBSTANTIALLY IMPROVE HAITI'S REPUTATION IN THE INTERNATIONAL DONOR COMMUNITY. END SUMMARY.

2. THE COMMISSION: ON SEPTEMBER 13 MINISTER WITHOUT PORTFOLIO HENRI BAYARD WAS NAMED PRESIDENT OF A
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CONFIDENTIAL

PAGE 02 PORT A 02499 162047Z

COMMISSION TO INVESTIGATE THE AFFAIRS OF THE REGIE

DU TABAC. THE OTHER MEMBERS OF THE COMMISSION, FRANTS ALCINDOR, FRANCOIS BOUCI, RENE MAXIMILIEN, AND BEAUDELAIRE JACQUES, APPEAR TO BE RESPECTED TECHNICIANS. REGIE EMPLOYEES WERE DIRECTED TO PROVIDE ALL INFORMATION REQUESTED AND COOPERATE FULLY WITH EACH MEMBER OF THE COMMISSION. THE COMMISSION WAS DIRECTED TO PREPARE A REPORT TO THE PRESIDENT "WITHOUT DELAY".

3. PRESIDENT'S INSTRUCTIONS: DUVALIER'S LETTER OF INSTRUCTION TO THE COMMISSION STATES A NEW AND LAUDABLE PRINCIPLE: "THE PERMANENCE AND VIABILITY OF MY ECONOMIC REVOLUTION IS BASED ON THE PROGRESSIVE REDUCTION OF DEPENDENCE ON EXTERNAL FINANCING FOR ECONOMIC DEVELOPMENT". TO THIS END, THE COMMISSION WAS ASSIGNED THREE SPECIFIC TASKS: A) TO IDENTIFY THE SOURCES OF THE REGIE'S RECEIPTS AND TO PRODUCE A DETAILED CLASSIFICATION OF THE ARTICLES AND PRODUCTS UNDER ITS JURISDICTION; B) TO PRODUCE A DETAILED ACCOUNTING OF THE AMOUNT OF INCOME REALIZED FROM THESE SOURCES; AND C) TO PROVIDE RECOMMENDATIONS FOR THE REORGANIZATION OF THE REGIE, PARTICULARLY ITS INSPECTION AND TAXATION FUNCTIONS.

4. COMMENT: GIVEN THE LONG HISTORY OF THE REGIE AS A PRESIDENTIAL "SLUSH FUND", ONLY TIME WILL TELL WHETHER THE CHANGES WILL BE SUBSTANTIVE OR COSMETIC. NEVERTHELESS, DUVALIER HAS FOR THE FIRST TIME ACKNOWLEDGED PUBLICLY THE PRINCIPLE THAT REGIE OPERATIONS SHOULD DIRECTLY AND COHERENTLY SUPPORT HAITI'S ECONOMIC DEVELOPMENT, FOLLOWING STANDARDS OF IMPROVED ADMINISTRATIVE CONTROL AND "STRICTEST INTEGRITY". IN A SENSE, BY ESTABLISHING AN INVESTIGATIVE COMMISSION WITH THESE PUBLIC GUIDELINES, DUVALIER HAS TACTICALLY ACKNOWLEDGED THE FORCE OF ARGUMENTS WITHIN HIS CABINET, LONG SUPPORTED BY FOREIGN DONORS, THAT THE REGIE AS HITHERTO OPERATED CANNOT BE RECONCILED WITH A MAXIMUM COMMITMENT TO ECONOMIC DEVELOPMENT. THE MOVE WILL ADD TO HIS DOMESTIC STATURE. TACTICALLY, IT WILL PERMIT DUVALIER TO CLAIM THE INITIATIVE IN REFORMING THIS NON-FISCALIZED SOURCE OF REVENUE RATHER THAN RESPONDING TO PRESSURES OF INTER-CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PORT A 02499 162047Z

NATIONAL AGENCIES -- PRESSURES CERTAIN TO BE RENEWED AT THE CEPICIS MEETING NOW SCHEDULED FOR LATE OCTOBER IN PORT AU PRINCE. MOREOVER, DUVALIER IS INTELLIGENT ENOUGH TO KNOW THAT SOME REFORM OF THE REGIE COULD BE A USEFUL BARGAINING COUNTER IN SEEKING ADDITIONAL EXTERNAL AID FOR THIS HARD-PRESSED COUNTRY.
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